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Governor

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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

December 20, 2007

CERTIFIED RETURN RECEIPT
7002 0510 0003 8603 3950

Dale Snyder
Absolute Mining and Minerals
7752 North 9150 West
Lehi, Utah 84043

Subject: Requirements for Bond Rider, Reclamation Contract, and Increased Surety; Absolute Mining and Minerals; AMMI Mine; S0190035; Grand County, Utah

Dear Mr. Snyder:

On January 11, February 14, and March 27, 2007, the Division wrote you and asked that you submit an executed bond rider to the Surface Management Personal Bond being held by the Bureau of Land Management. The Division also required that you complete and sign a small mine reclamation contract, and neither of these items has been returned to the Division.

In cooperation with the Bureau of Land Management, the Division has calculated a reclamation surety amount for the AMMI Mine. The total amount, including demolition and removal of facilities, grading, and escalation is \$80,840.00. Of this amount, \$20,700.00 is for regrading and the balance is for removal of facilities.

The surety currently on file with the Bureau of Land Management is \$8200.00, so if you will complete the actions discussed in the first paragraph of this letter, the amount needed can be reduced to \$72,640.00.

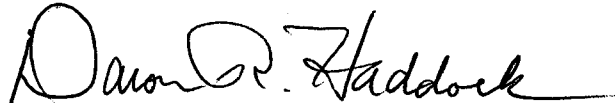
The surety can be submitted in several different forms, including cash, a letter of credit, a certificate of deposit, or a corporate surety. Please contact the Division's bonding coordinator, Jed Pearson, at 801-538-5382 or by e mail at bondcoordinator@utah.gov for information about submitting the surety.

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The Division requires that you submit the increased surety together with the bond rider and the reclamation contract by January 31, 2008. Failure to do so will result in withdrawal of the notice of intention and require immediate reclamation. The Division may also take enforcement action, which carries a fine, and request that the Bureau of Land Management forfeit the existing surety.

If you have questions about this letter, please call me at 801-538-5325 or Paul Baker at 801-538-5261. Thank you in advance for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly distinguishable.

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:PBB:pb

cc: Jed Pearson

Rebecca Doolittle, Moab BLM

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